

## Message Text

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65-61

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 EB-07

COME-00 TRSE-00 BIB-01 /065 W

----- 022947

R 222120Z MAY 75

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 6531

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POUCHED TO ALL CONSULATES IN CANADA FOR INFO

E.O. 11652: N/A

TAGS: EGEN, EIND, ETEL, EFIN, BBAK, SCUL, SEDU, CA

SUBJ: TIME/READER'S DIGEST/BORDER TV STATIONS TAX

MEASURE -- PARLIAMENTARY CONSIDERATION

REF: OTTAWA 1884, AND PREVIOUS

1. BEGIN SUMMARY. SECOND READING OF BILL C-58 AND  
REFERENCE TO COMMITTEE HAS NOT YET TAKEN PLACE. ISSUE  
IS NOW ACTIVELY COMPETING FOR ATTENTION ON LEGISLATIVE  
CALENDAR. WHETHER COMMITTEE STAGE WILL BE COMPLETED  
BEFORE PARLIAMENT RISES LATE IN JUNE IS AN OPEN  
QUESTION. NO MORE REQUESTS FOR APPEARANCES BEFORE  
COMMITTEE HAVE BEEN RECEIVED FROM U.S. BROADCASTERS.  
END SUMMARY.

2. SECOND READING WAS NOT RPT NOT GIVEN TO BILL  
C-58 AFTER LENGTHY DEBATE IN HOUSE OF COMMONS AFTERNOON  
AND NIGHT OF MAY 20. NOW FAR FROM CLEAR WHEN THIS  
PROCEDURAL STEP WILL BE TAKEN AND REFERENCE MADE TO  
COMMITTEE. EMBASSY UNDERSTANDS THERE ARE STILL AT  
LEAST FIFTEEN M.P.'S WHO HAVE SIGNED SPEAKER'S LIST,  
INCLUDING SEVERAL LIBERALS CRITICAL OF VARIOUS ASPECTS  
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OF BILL AND OF GOC'S LACK OF GENERAL PERIODICAL

POLICY. FURTHER CONSIDERATION OF BILL AND SCHEDULING OF COMMITTEE HEARINGS NOW PUSHING UP AGAINST PARLIAMENTARY SUMMER RECESS PROBABLY COMMENCING JUNE 27, ANTICIPATED INTRODUCTION OF NEW TURNER BUDGET ON JUNE 2 WITH REQUIREMENT FOR SIX LEGISLATIVE DAYS OF DEBATE, RESERVATION OF SEVERAL MORE LEGISLATIVE DAYS FOR OPPOSITION PARTIES, AND COMPETITION WITH OTHER PIECES OF GOVERNMENT LEGISLATION. IF DEBATE ON BILL C-58 NOT CONCLUDED BY NEXT TUESDAY, MAY 27, IT IS DOUBTFUL WHETHER REFERENCE TO COMMITTEE WILL TAKE PLACE IN THIS SESSION OF PARLIAMENT. THUS, ISSUE COULD LIE OVER UNTIL PARLIAMENT RESUMES IN SEPTEMBER. HOWEVER, SENIOR ADVISER TO PRIME MINISTER TOLD DCM NIGHT OF MAY 20 THAT LIBERAL BACKBENCHERS' CRITICISMS WERE INSIGNIFICANT AND GOC WAS PRESSING FORWARD WITH BILL AS WELL AS ITS PARLIAMENTARY SCHEDULE AND WILL NOT BE DETERRED. THIS SUGGESTS A DETERMINED EFFORT AT LEAST DISPOSE OF SECOND READING AND COMMITTEE CONSIDERATION BEFORE RECESS. GOVERNMENT IS ANXIOUS GET BILL ENACTED EARLY SO THAT TIME AND READER'S DIGEST HAVE ADEQUATE NOTICE ITS EFFECT FOR DEALING WITH THEIR ADVERTISERS AND TO ENABLE EMPLOYEES SEEK OTHER JOBS IF PUBLICATIONS SUSPENDED. TIME BUREAU CHIEF MADER CONCURS WITH THIS ANALYSIS AND EXPECTS BILL BE PASSED QUICKLY. WHETHER THIS WILL HAPPEN REMAINS TO BE SEEN.

3. MAY 20 DEBATE WAS MORE LIVELY THAN EARLIER SESSIONS AND SUGGESTED THAT READER'S DIGEST MAY HAVE DEVELOPED CERTAIN AMOUNT OF SUPPORT AMONG BOTH LIBERAL AND PROGRESSIVE CONSERVATIVE BACKBENCHERS. WHETHER THIS SUPPORT CAN BE TRANSLATED INTO A NEW RECOGNITION OF ITS STATUS IN CANADA REMAINS TO BE SEEN. CENSORSHIP CONSIDERATIONS WERE ALLUDED TO FREQUENTLY, BUT MORE IMPRESSIVE WERE THE CRITICISMS OF THE MEASURE AS INADEQUATE TO DEAL WITH THE PROMOTION OF A VIABLE CANADIAN PERIODICAL PUBLISHING INDUSTRY -- A THEME PARTICULARLY TAKEN UP BY SEVERAL PC SPEAKERS. AGAIN NO ATTENTION WAS PAID TO THE BROADCASTING APPLICABILITY OF THE LEGISLATION.

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4. PRESS COVERAGE OF THE DEBATE HAS BEEN LIMITED. HOWEVER, TORONTO GLOBE AND MAIL ON MAY 22 PUBLISHED A PERCEPTIVE COLUMN BY GEOFFREY STEVENS WHICH RECOGNIZED THE INEVITABILITY OF THE BILL EVENTUALLY PASSING AND SUGGESTED SECRETARY FAULKNER NEEDED TO COME UP WITH A MORE COMPREHENSIVE PERIODICAL POLICY WHEN THE BILL GETS INTO COMMITTEE. STEVENS SUGGESTED THAT, WITHIN THE FRAMEWORK OF SUCH A POLICY, TIME AND READER'S DIGEST --

BY MEETING 75 PERCENT OWNERSHIP REQUIREMENTS AND  
"BY TAILORING THEIR PRODUCTS MORE CLOSELY TO THE  
INTERESTS OF THEIR CANADIAN READERS" -- COULD CONTINUE  
OPERATIONS IN CANADA.

5. COMMITTEE CLERK GRIFFITH ADVISED TCO MAY 22 THAT  
IN HER VIEW DEBATE WILL PROBABLY RESUME MAY 26 AND 27.  
ASSUMING REFERENCES TO COMMITTEE OCCURS NO LATER THAN  
MAY 27, HEARING COULD BEGIN MAY 29. TEN SESSIONS  
THROUGH MONTH OF JUNE ARE STILL ENVISAGED, BUT IF  
THERE IS FURTHER DELAY IN REFERENCE TO COMMITTEE, NUMBER  
MAY HAVE TO BE REDUCED OR SOME SESSIONS PUT OVER UNTIL  
AFTER PARLIAMENT RECONVENES IN FALL. NO MORE REQUESTS  
TO APPEAR HAVE BEEN RECEIVED FROM U.S. INTERESTS AND  
GRIFFITH EMPHASIZED AGAIN IMPORTANCE OF RECEIVING  
REQUESTS PROMPTLY. PARTIES WHICH HAVE REQUESTED  
APPEARANCES ARE BEING ADVISED BY PHONE WHEN THEY MAY  
EXPECT TO BE CALLED AND ARE ASKED TO SUPPLY BRIEFS  
IN ADVANCE.

6. TEXT OF MAY 20 HOUSE OF COMMONS DEBATE POUCHED TO  
STATE EUR/CAN (KRUSE) AND EB/TT/TD (O'NEILL). GLOBE  
AND MAIL ARTICLE ALSO POUCHED TO KRUSE. PORTER

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## Message Attributes

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